

UNITED STATES DISTRICT COURT
FOR THE
SOUTHERN DISTRICT OF WEST VIRGINIA
CHARLESTON

UNITED STATES OF AMERICA

FILED

MAR 25 2013

TERESA L. DEPPNER, CLERK
U.S. District Court
Southern District of West Virginia

v.

CRIMINAL NO. PiB-00099

18 U.S.C. § 1343

18 U.S.C. § 2

DONALD BRYAN STEELE

I N F O R M A T I O N

The United States Attorney Charges:

COUNT ONE
(Wire Fraud)

Background

At all relevant times:

1. Defendant DONALD BRYAN STEELE was the president of M&S Hydraulics, Inc. ("M&S"), a repair and rebuild shop situated in or near Switzer, Logan County, West Virginia.
2. M&S provided mine supplies and equipment repair services to mines along Route 3 through Boone and Raleigh Counties owned by Massey Energy, Inc., and then its successor Alpha Natural Resources (collectively "Alpha").
3. M&S provided supplies and repair services to the Shonk Powellton #1 Mine, owned and operated by Elk Run Coal Company,

an Alpha subsidiary, situated in or near Sylvester, Boone County, West Virginia.

4. Edward Ellis Mullins, named herein as an unindicted aider and abettor, worked for Alpha as a sourcing agent for the Shonk Powellton #1 Mine.

5. M&S provided supplies and repair services to the Slip Ridge #2 Mine, owned and operated by Marfork Coal Company, an Alpha subsidiary, situated in or near Whitesville, Raleigh County.

6. Joey R. Phalin, named herein as an unindicted aider and abettor, worked for Alpha as a sourcing agent for the Slip Ridge #2 mine.

7. M&S provided supplies and repair services to the Marsh Fork #1 Mine, which was situated in or near Whitesville, Raleigh County.

8. Nichols J. Coleman, named herein as an unindicted aider and abettor, worked for Alpha as a sourcing agent for the Marsh Fork #1 Mine.

The Scheme

9. From at least July 2007 through at least June 2012, at or near Switzer, Logan County, West Virginia, Sylvester, Boone County, West Virginia, Whitesville, Raleigh County, West Virginia, within the Southern District of West Virginia and elsewhere, defendant DONALD BRYAN STEELE and Edward Ellis

Mullins, Joey R. Phalin, Nicholas J. Coleman, and others, aided and abetted by each other and by others known and unknown to the United States Attorney, did knowingly devise, and intend to devise, a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

Purpose of the Scheme

10. It was a purpose of the scheme for defendant DONALD BRYAN STEELE and others to enrich themselves by receiving payments for false invoices submitted to and paid by Alpha.

Manner and Means of the Scheme

11. In furtherance of the scheme, defendant DONALD BRYAN STEELE would and did use the manner and means as set forth below.

12. Defendant DONALD BRYAN STEELE would and did provide cash and other things of value to, among others, Edward Ellis Mullins, Joey R. Phalin, and Nicholas J. Coleman.

13. In exchange, sourcing agents, including Edward Ellis Mullins, Joey R. Phalin, and Nicholas J. Coleman, would and did knowingly certify payment for false and fictitious invoices from M&S for supplies and repair services that had not been provided.

14. Based on the false certifications of the complicit sourcing agents, including Edward Ellis Mullins, Joey R. Phalin and Nicholas J. Coleman, Alpha would and did unwittingly process electronic payments to M&S for supplies and repair services that had not been provided.

15. To ensure the scheme went undetected, defendant DONALD BRYAN STEELE would and did provide cash and other things of value to individuals involved in the management and supervision of the Alpha mines along Route 3 through Boone and Raleigh Counties.

Use of Wires in Furtherance of the Scheme

16. On or about June 1, 2012, in or near Sylvester, Boone County, West Virginia, within the Southern District of West Virginia and elsewhere, defendant DONALD BRYAN STEELE, together with Edward Ellis Mullins and others known and unknown to the United States Attorney, aided and abetted by each other and others, for the purpose of executing the scheme, and attempting to do so, knowingly caused to be transmitted by means of wire communication in interstate commerce writing, signs, signals, pictures and sounds, an authorization of payment by Edward Ellis Mullins for a \$1,800 invoice from M&S for the sale of a "Drill Box Unit," when in fact as defendant DONALD BRYAN STEELE and Edward Ellis Mullins then well knew, M&S did not deliver the referenced material.

In violation of Title 18, United States Code, Sections 1343 and 2.

UNITED STATES OF AMERICA

R. BOOTH GOODWIN II
United States Attorney

By:

THOMAS C. RYAN
Assistant United States Attorney